

REASON THREE

Plentiful Resources: Giving Utah's Business a Boost

By Marie Mischel



SOUTH JORDAN CHAMBER LUNCHEON

THE WELCOME BASKET provided by Utah's private and public business organizations is filled with resources to help companies' plant roots and flourish.

"Whether a company is just starting-up, relocating or expanding, it is easier to do business here in Utah than in most other places," says Jason Perry, Executive Director of the Governor's Office of Economic Development (GOED). "Evidence shows that we have successfully attracted a significant number of great companies, across a wide base of industries, to relocate to Utah in the past year and a half."

The complex task of starting or growing a business can be daunting, according to Nancy Mitchell, executive director of the Salt Lake Chamber's Women's Business Center. "But for every challenge there are resources to help—from writing business plans and getting financing to training employees and learning how to export. There is no reason for anybody to feel overwhelmed or alone." The Salt Lake Chamber and the Women's Business Center, for example, have networking and roundtable events where entrepreneurs can meet with peers to share ideas. Counseling is available for just about any need. "If more businesses would take advantage of what is out there, we would see many more businesses succeed," says Mitchell. Business Resource Centers (BRC) are scattered across the state, as are Small Business Development Centers (SBDC). Most are affiliated with the local college campus, such as the Salt Lake Community College SBDC or the Miller Innovation Campus. Some BRCs are sponsored by private organizations such as the Zions Bank Business Resource Center in Salt Lake City.

A prime example of a resource tapped particularly by out-of-state businesses is the Economic Development Corporation of Utah (EDCUtah), a private non-profit organization that is contracted by GOED to help recruit high quality, out-of-state businesses. It is comprised of more than 200 public and private groups, including government entities, chambers of commerce and businesses.

Among the many services the organization offers, EDCUtah provides statistics on Utah's business trends, local contacts with everyone from government officials to preferred vendors, and comprehensive help with site selection.

"EDCUtah assists companies looking to relocate and/or expand in Utah by providing a wealth of business and government-related information and connections," says Jeff Edwards, president and CEO of EDCUtah. "In addition, we assist companies in navigating the complex processes associated with moving, permitting, licensing and applying for state and local incentives."

Local businesses owners can also turn to EDCUtah for help with financing options, site selection and making connections with governmental agencies.

"The infrastructure and support for businesses has been developed so new companies can easily flourish," particularly in key sectors such as manufacturing, the outdoor products industry, advanced composites and life sciences," says Edwards.

CHAMBER POWER

The state's chambers of commerce are private organizations dedicated to improving business in Utah. More than 55 chambers exist in Utah, representing every corner of the state as well as groups in minority populations.

"When you're a member of a chamber, it provides you with a representative voice for the business community on issues that affect you and your business," says Stephanie Wright, president and CEO of the South Jordan Chamber of Commerce and a board member of Utah State Chamber board. The organizations also provide valuable personalized professional relations with other business owners. "Chambers open doors to business that had been closed before and unite the growing business community. Membership also brings about the most effective advertising, which is word of mouth, by networking with key stakeholders," continues Wright.

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PRESIDENT,
SALT LAKE CHAMBER OF COMMERCE

tors, the Manufacturing Extension Partnership and National Association of Women Business Owners.

Companies in the information technology and life sciences sectors benefit from membership in the Utah Technology Council (UTC), one of the nation’s most respected regional technology associations. The Utah Manufacturers Association is a powerful lobbying and educational organization for the state’s manufacturing sector. Entrepreneurs from many industries find excellent networking opportunities and other benefits from such organizations as the Mountain-West Capital Network and the Utah Valley Entrepreneurial Forum.

Merchants in certain geographic areas also have banded together to foster economic growth in their neighborhoods. Perhaps the most visible of these is Salt Lake City’s Downtown Alliance, which was established in 1991. The Alliance, with more than 2,500 members, produces special events such as the Dine O’ Round. The group also is involved politically, having spearheaded the *Downtown Rising* redevelopment initiative.

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The Salt Lake Chamber took the lead in placing complementary initiatives on the ballots in Utah and Salt Lake counties to increase sales tax by a quarter cent to improve transportation. In the 2007-2008 legislative session, the chamber also was vocal on several business-related bills, such as those focused on health care costs.

Businesses large and small look to a chamber of commerce primarily for its networking opportunities, which occur not only at luncheons, but also on committees, Beattie says. Chambers also provide professional development seminars to help businesses train their employees and offer tips on how to expand business, save money and avoid legal problems.

ASSOCIATIONS AND ALLIANCES

In addition to the chambers, numerous other national business organizations have Utah chapters, including the Association of General Contrac-

INCUBATING GROWTH

Utah’s strong entrepreneurial bent has given rise to a number of angel groups, business incubators and venture capital firms, all focused on shepherding promising businesses along to the next phase of their growth.

Grow Utah Ventures’ founder Alan Hall has taken the venture capital format a step farther. Hall and partners opened the E Station in downtown Ogden, a privately funded business incubator to help nurture entrepreneurs.

Business incubators are found throughout the state, typically associated with government entities or colleges. The Technology Center is run by the Commission for Economic Development in Orem, a non-profit under the city’s auspice. The Miller Business Innovation Center in Sandy, a non-profit organization under the Salt Lake Community College umbrella, is a business incubator that provides resources for entrepreneurs with start-up companies. The Roy W. and Elizabeth E. Simmons Entrepre-



WAYNE BROWN INSTITUTE



DOWNTOWN RISING

neurial Center is located on the Davis Applied Technology College campus in Kaysville and is a Business Resource Center for northern Utah.

The incubators provide start-ups with office space and infrastructure such as telephones and janitorial services at a greatly reduced rate, as well as entrepreneurial training. This training can range from one-on-one advice from mentors and business professionals to networking sessions attended by successful business people.

Another resource for hi-tech entrepreneurs is the Wayne Brown Institute, which began as the Utah Innovation Foundation in 1983. The Institute offers educational seminars and conferences, and its accelerator program helps start-ups raise money. According to the institute, its network of mentors has helped more than 580 high-tech companies get off the ground, and these companies have raised a combined \$1.7 billion in private equity.

Utah has also developed a strong and growing community of venture capital firms that invest in start-up

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EXECUTIVE DIRECTOR,
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OF ECONOMIC DEVELOPMENT
(GOED)

companies. Wasatch Venture Fund, vSpring and the Canopy Group are all looking for the next Atari, Adobe or Novell to be developed in the state.

PUBLIC-PRIVATE PROSPERITY

On the public front, businesses get a boost from federal organizations such as the Small Business Administration, which operates its district office out of Salt Lake City, as well as city, county and state programs.

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Governor Huntsman ran for election on a platform that placed a strong emphasis on economic development. He created the Governor's Office of Economic Development (GOED) in 2005 by consolidating two existing governmental departments and bringing them under the direction of the Executive branch.

Numerous business-related departments fall under the GOED umbrella, including Business Development, the Utah Office of Tourism, the International Trade and Diplomacy Office, Rural Development and a number of other business-oriented programs such as Corporate Relocation and Incentives, as well as the Utah Film Commission.

Huntsman also created the state's Economic Cluster Initiative in GOED, which emphasizes the development of businesses in targeted sectors in which Utah has particular strength, such as aerospace, composite manufacturing, life sciences and outdoor recreation to name a few.

"Through the clusters program, we bring industry leadership together to help define state services or efforts that will help the industry grow," says Gary Harter, managing director of the Economic Cluster Initiative.

A good range of financial incentives also are offered by state and local governments to encourage businesses to grow in Utah, says Perry, GOED's executive director. "There is a genuine collaborative effort by the

various public and private entities to make things happen for companies, from the governor down to the local communities," he says. "We generally make it easy to do business in the state and recent changes to our tax laws, such as a 5 percent income tax, continue to make us more business friendly."

Under Huntsman's direction, the state's recruitment effort and incentives are focused to reward growth and successful financial performance, Perry says. "In the last year and a half we have granted incentives to 28 companies totaling \$67 million, which is expected to generate \$413 million in new state revenue, \$2.4 billion in new capital investment, and \$3.7 billion in new state wages over 10 years."

STIMULATING RESEARCH AND SCIENCE

The legislature also enacted the Utah Science, Technology, and Research (USTAR) initiative. USTAR allocates funds to state educational institutions for research that has strong potential for commercialization. The funding includes money for research at the University of Utah and Utah State University as well as at outreach centers throughout the state. During the next 30 years, the initiative is expected to create 123,400 jobs and generate \$5 billion in new tax revenue, according to the Bureau of Economic and Business Research.

Utah's educational institutions offer other business-related services as well. For example, the David Eccles School of Business at the University of Utah hosts the Bureau of Economic and Business Research, which conducts economic research specific to the state.

The state's applied technology colleges also cooperate with businesses to offer technical training programs that serve full-time students and employees who need to update their skills. The Davis Applied Technology College, for instance, partners with 23 businesses to offer courses as diverse as Adobe software training and welding.

"Our educational system is tremendous," says Perry, pointing out that Utah's universities rank in the



top of their fields in areas such as engineering, medicine and business schools.

HELPING BUSINESS GROW

Other efforts at the state level to boost economic development include the Utah Procurement Technical Assistance Centers (PTACs), which offer counselors who help small business owners obtain government contracts. "This can create growth of market share and revenues," says PTAC Director Fred Lang.

In the first eight months of this fiscal year, the PTACs assisted Utah's small businesses sign contracts for \$1 billion, Lang says, adding that these contracts represent more than 2,100 jobs that were created or retained.

Local governments also encourage economic development. Some cities and counties offer businesses small, low-interest loans that may be used for the purchase of land, buildings and equipment or for working capital.

Salt Lake County, in particular, has stressed economic development with its UPGRADE program, which provides information to local businesses looking to "start up, grow up, move up and fire up." Workshops and business-related events are among the activities sponsored by UPGRADE.

UPGRADE's mission is not only to support existing businesses and encourage new businesses in Salt

Lake County, but to support technology development as well. Officials with the program are working with GOED to develop a site for a technology park. In addition, UPGRADE uses redevelopment tools to help with the commercial and industrial development of unincorporated areas of the county.

Not to be overlooked, Utah's transportation system provides a strong infrastructure to support the state's fast growing economy. To ensure that Utah goods continue to move efficiently, the legislature this year voted to set aside a record dollar amount for road and other transportation improvements.

"We have a good physical infrastructure for transportation with the interstate highway system, rail access, and a regional hub airport," says Perry. "There is well-planned capacity in these transportation systems to allow for further growth."

THE FULL PACKAGE

Utah offers businesses a wide variety of support, financing, infrastructure and public programs designed to ensure growth and success. "The abundance of resources and infrastructure in Utah make it an extremely attractive place to do business," GOED's Perry says. "The number of businesses that are flourishing here and looking at coming here, compared to other states, is a testament to how well the state is working toward 'economic dynamism'."